



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012-3873
PHONE: (213) 974-8301 FAX: (213) 626-5427

WENDY L. WATANABE
AUDITOR-CONTROLLER

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JAMES L. SCHNEIDERMAN
JUDI E. THOMAS

April 10, 2012

TO: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

SUBJECT: **DEPARTMENT OF MENTAL HEALTH SERVICE PROVIDERS FISCAL
MONITORING – FISCAL YEARS 2007-08, 2008-09, AND 2009-10**

The Department of Mental Health (DMH) provides mental health services through DMH-operated clinics and contract service providers (i.e., private clinics, other County departments, and State-operated clinics). The services are paid for with federal, State, and County funds.

At DMH's request, we contracted with a Certified Public Accounting firm; Moss, Levy and Hartzheim, CPAs (MLH), to conduct fiscal monitoring of some of its service providers. The audits covered various providers over Fiscal Years 2007-08, 2008-09, and 2009-10 as follows:

Fiscal Year	Audited Providers		
	DMH Clinics	Contract Service Providers	Total
2007-08	33	18	51
2008-09	-	18	18
2009-10	-	1	1
Total	33	37	70

The monitoring was intended to ensure the DMH clinics and contract service providers complied with Program requirements. MLH also reviewed the contract service providers' fiscal operations to ensure they had proper controls over funds received from DMH.

Summary of Findings

As indicated in the Attachment, MLH identified a total of \$448,034 in questioned costs; \$278,819 for the contract service providers, and \$169,215 for DMH-operated clinics. DMH has collected \$153,044 of the \$278,819 from the contract service providers, and is in the process of resolving the remaining \$125,775. DMH is also working to resolve the \$169,215 in questioned costs for DMH-operated clinics. DMH has indicated that they will reimburse the State for any unresolved questioned costs from contract or DMH-operated clinics.

MLH noted that the questioned costs were primarily due to the following:

- Clinics/contractors billing for units of service that were not documented in the clients' progress notes, or in the providers' daily service logs and/or time cards.
- Clinics/contractors not completing or not being able to provide the required progress notes, daily service logs, and/or Community Outreach Services forms for review.
- Clinics/contractors not being able to provide client folders for review.

MLH also noted that the clinics/contractors were not always able to provide updated/complete Payor Financial Information forms, which are used to determine the clients' ability to pay. However, these issues did not directly result in any questioned costs.

MLH discussed each report with the respective service providers and DMH. DMH management is requiring the contract service providers and DMH clinics to develop and submit corrective action plans (CAPs) to address the findings and recommendations.

We recommend that DMH provide your Board with periodic updates on their collection efforts, and follow up to ensure service providers implement their CAPs.

Due to the large number of reviews, copies of the individual reports are not enclosed, but are available upon request. Please call me if you have any questions, or your staff may contact Robert Campbell at (213) 253-0101.

WLW:JLS:RGC:TK

Attachment

c: William T Fujioka, Chief Executive Officer
Marvin J. Southard, D.S.W., Director, Department of Mental Health
Public Information Office
Audit Committee

**Fiscal Monitoring of Mental Health Service Providers
Fiscal Years 2007-08, 2008-09, and 2009-10**

Number	Service Provider	Total Questioned Costs
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CONTRACT SERVICE PROVIDERS FY 2007-08

1	Catholic Healthcare West dba California Hospital Medical Center	\$86
2	Cedars-Sinai Medical Center	\$2,397
3	Jewish Family Service of Los Angeles	\$9,258
4	JWCH Institute, Inc.	\$32,601
5	Los Angeles Child Guidance Clinic	\$539
6	Pasadena Unified School District	\$1,044
7	Providence Community Services, LLC	-
8	Rosemary Children's Services	\$24,790
9	Saint John's Child and Family Development Center	\$94
10	SHIELDS for Families	\$6,436
11	State of California Department of Mental Health - Metropolitan State Hospital	-
12	State of California Department of Mental Health - Patton State Hospital	-
13	Telecare Corporation	\$656
14	The Guidance Center	\$7,387
15	The Whole Child (Formerly known as "Intercommunity Child Guidance Center")	\$13,943
16	Topanga-Roscoe Corporation dba Topanga West Guest Home	\$17,842
17	VIP Community Mental Health Center, Inc.	\$4,732
18	Vista Del Mar Child and Family Services	\$3,536

CONTRACT SERVICE PROVIDERS FY 2008-09

19	"Serenity": Infant Care Homes	\$1,577
20	Alma Family Services	-
21	Childrens Hospital Los Angeles	\$85
22	Children's Institute, Inc.	\$1,805
23	Community Family Guidance Center	-
24	Counseling & Research Associates, Inc. dba Masada Homes	\$4,202
25	Ettie Lee Youth and Family Services	-
26	Exceptional Children's Foundation	-
27	Foothill Family Service	\$1,700
28	Hathaway - Sycamores Child and Family Services	\$5,757
29	Hillsides Home for Children	\$645
30	Los Angeles Unified School District - School Mental Health	\$2,604
31	Optimist Youth Homes & Family Services	\$106,891
32	Phoenix Houses of Los Angeles, Inc.	\$1,443
33	San Fernando Valley Community Mental Health Center, Inc.	\$18,418
34	South Bay Children's Health Center Association, Inc.	\$8,181
35	SPIRITT Family Services	-
36	Tobinworld	-

Number	Service Provider	Total Questioned Costs
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CONTRACT SERVICE PROVIDER FY 2009-10

37	Olive Crest Treatment Center	\$170
Total Questioned Costs for Contract Service Providers		\$278,819

DMH – OPERATED CLINICS FY 2007-08

38	Antelope Valley Kidz Connection Specialized Foster Care	\$587
39	Arcadia Mental Health Center - Full Service Partnership Program	\$725
40	Compton Mental Health Center - Full Service Partnership Program	\$8,468
41	Downtown Mental Health - Full Service Partnership Program	\$12,587
42	Edmund D. Edelman Westside Mental Health Center Children's System of Care	\$5,131
43	Emergency Outreach Bureau Crisis and Homeless - Arcadia	\$2,526
44	Emergency Outreach Bureau Homeless Outreach and Mobile Engagement (HOME)	\$1,153
45	Homeless Outreach Psychiatric Evaluations (HOPE)	\$4,358
46	Juvenile Court Mental Health Services	\$27,280
47	Mental Evaluation Team	\$6,775
48	Palmdale Mental Health Center	\$2,349
49	Residential and Bridging Services	\$967
50	San Fernando Mental Health Center - Full Service Partnership Program	\$1,982
51	South Bay - Full Service Partnership Program	\$3,609
52	Specialized Foster Care Co-Located Santa Clarita Department of Children and Family Services (DCFS)	\$1,199
53	Specialized Foster Care Commerce	-
54	Specialized Foster Care Compton	\$1,790
55	Specialized Foster Care Figueroa	\$259
56	Specialized Foster Care Lancaster	\$4,306
57	Specialized Foster Care Metro North	\$36,311
58	Specialized Foster Care Palmdale	\$2,670
59	Specialized Foster Care Pasadena	\$284
60	Specialized Foster Care Santa Fe Springs	\$4,551
61	Specialized Foster Care Torrance	\$4,596
62	Specialized Foster Care Vermont Corridor	\$223
63	Specialized Foster Care Wateridge	\$756
64	Systemwide Mental Assessment Response Team (SMART)	\$24,249
65	Ties for Families	\$84
66	Urgent Community Services Project - Hillview Intensive Residential Center	\$1,008
67	Urgent Community Services Project - Olive View Medical Center	\$559
68	Urgent Community Services Project - San Fernando Mental Health Center (SFMHC)	\$161
69	Valley Coordinated Children's Services	\$7,712
70	Women's Community Reintegration Services and Education Center	-
Total Questioned Costs for DMH - Operated Clinics		\$169,215

Total Questioned Costs for All Service Providers	\$448,034
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